

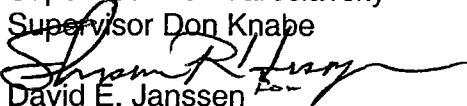


County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
Chief Administrative Officer

May 4, 2006

To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
From:   
David E. Janssen  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**SACRAMENTO UPDATE**

**Pursuit of County Position on Legislation**

**AB 2259 (Salinas)**, as introduced on February 22, 2006, would extend the sunset date from January 1, 2007 to January 1, 2013, for Local Agency Formation Commissions' authority to review any proposed extension of urban levels of services to outlying unincorporated areas of the State's counties.

Existing law authorizes a local agency formation commission (LAFCO) to review and approve a proposal that extends services into previously unserved territory within unincorporated areas and to review the creation of new service providers to extend urban type development into previously unserved territory within unincorporated areas to ensure that the proposed extension is consistent with the policies of the commission and certain policies under State law.

The Department of Regional Planning (DRP) indicates that every time LAFCO makes decisions on the extension of urban levels of infrastructure and services to outlying areas of the County in connection with new proposed development, the County of Los Angeles is preempted in its authority to regulate the levels and quality of such services. During such a LAFCO review, the County's interests are also potentially threatened by the competing interests of the cities that may support such development. DRP indicates that LAFCO has no equivalent power with respect to urban infrastructure, services and development in outlying areas of the County's cities. **Therefore, DRP recommends that the County oppose AB 2259, and we concur.**

Opposition to AB 2259 is consistent with existing policy to oppose legislation that infringes upon county board of supervisors' local land use decision-making authority. **Therefore, our Sacramento advocates will oppose AB 2259.** This measure is set for hearing on May 10, 2006 in the Assembly Local Government Committee. There is no known support or opposition at this time.

**AB 2286 (Torrico)**, as amended on May 2, 2006, would allow a city or county to create an infrastructure financing district (IFD) in a housing opportunity zone, as defined, to finance public capital facilities using property tax increment revenues. Specifically, the bill would permit a district to finance public capital facilities and services to support and benefit new housing development including, but not limited to, streets and roads, sewers, storm water, wastewater treatment, flood control, solid waste, local parks and community recreation, transit, police protection, fire protection and suppression, ambulance and paramedic, and recreation and library services. AB 2286 specifies an IFD may include non-contiguous areas.

While similar to redevelopment projects in that property tax increment revenues can be diverted to finance debt for public purposes, IFDs do not need to be focused on economic and physical blight conditions, and, unlike redevelopment, require the consent of taxing entities, such as the County, for the use of tax increment revenues.

Under current law, IFDs can be created by cities and counties, in areas that are not redevelopment areas, for the purposes of financing public capital facilities of community-wide significance. In order to form an IFD, a city or county must develop an infrastructure plan, send copies to every landowner, consult with other local governments, obtain approval from affected taxing entities which would contribute property tax increment revenue, and obtain two-thirds voter approval of the formation of the IFD and the issuance of bonds. Once established, an IFD is authorized to issue a variety of debt instruments, including bonds, certificates of participation, leases, and loans, and is authorized to divert property tax increment revenues from other local governments, excluding school districts, for up to 30 years, in order to repay debt.

AB 2286 would modify IFD law by expanding the scope of funding uses to include services rather than just capital facilities, and allow for the creation of a district without approval from voters or affected taxing entities. The provision that allows for the creation of an IFD without the approval of the taxing entities would preempt the County's local decision-making authority by mandating participation in the IFD project, and would weaken the County's fiscal base by diverting property tax revenues that are critical to maintaining vital County services.

This unilateral diversion of property tax revenues is similar to legislative attempts to divert revenues for redevelopment which the County has opposed consistent with Board policy to resist legislative attempts to weaken redevelopment law which would cause the County to lose revenues. **Therefore, our Sacramento advocates will oppose AB 2286 unless amended to include provisions that either expressly exclude taxing entities which are**

**not forming an IFD, or require the affected taxing entities' approval for the use of tax increment revenues in IFDs.**

AB 2286 is sponsored by the Bay Area Council of Governments and the California Building Industry Association. The California State Association of Counties has a position of oppose unless amended to include provisions which preserve the consent of taxing entities. The bill is scheduled for a hearing before the Assembly Committee on Local Government on May 10, 2006.

**AB 2754 (Chan)**, as amended on March 28, 2006, would require hospitals to adopt a plan or procedure for determining the staffing of professional and technical classifications to be used by a hospital to determine the number of competent personnel with the appropriate combination of skills necessary to meet the needs of its patients. This plan or procedure would not apply to the staffing of nursing personnel which is already subject to ratios established by regulation implementing AB 394 (Kuehl) of 1999. It would be subject to review by the hospital annually to determine if adjustments are needed, and review by the California Department of Health Services (CDHS) during surveys for compliance with State or Federal statutes or regulations. If a hospital fails to maintain, review annually, or comply with a plan or procedure, CDHS would be required to find that the hospital's staffing has the potential to harm patients. Hospitals would be required to make the plan or procedure available upon request.

The County Department of Health Services (DHS) indicates that AB 2754 would, in effect, require hospitals to develop staffing plans similar to nurse-to-patient ratios for all professional and technical hospital staff, from physicians to pharmacists and respiratory therapists to radiology technicians, which would be prohibitively inefficient and costly to implement. It is already difficult for the County's hospitals to comply with existing nurse-to-patient ratios because of the State-wide nursing shortage and the budget crisis facing DHS. There are also significant staffing shortages for many other medical personnel including primary care physicians, pharmacists, phlebotomists, and clinical laboratory scientists. County hospitals would be unable to compete successfully for these professional and technical staff because private hospitals will be able to offer higher salaries and other attractive incentives.

AB 2754 is similar to County-opposed AB 2300 (Dymally) of 2004 and AB 2712 (Aroner) of 2002. AB 2300, which would have required hospitals to develop a staffing plan for professional, technical, and support staff, failed passage in the Assembly Health Committee. AB 2712, which would have established staff-to-patient ratios for respiratory therapists, was opposed by the County in 2002 because it would have cost DHS an estimated \$15 million to implement. It died in the Assembly Health Committee. Because AB 2754 would impose significant costs and recruitment problems that would far exceed those already faced by the Department to implement nurse-to-patient staffing ratios, DHS recommends that the County oppose AB 2754, and we concur. Consistent with County opposition to AB 2300 in 2004, and AB 2712 in 2002, **our Sacramento advocates will oppose AB 2754.**

AB 2754 is sponsored by the Service Employees International Union. There is no registered support. It is opposed by the California Hospital Association and the Alliance of Catholic Health Care. AB 2754 was placed on the Assembly Appropriations Committee's Suspense File on May 3, 2006.

#### **Status of County-Interest Legislation**

**County-supported AB 32 (Pavley)**, which would have established greenhouse gas emission caps and required reporting of greenhouse gas emissions from major sources in California, was amended in the Senate on April 18, 2006, to add Assembly Member Nuñez as an author to the bill, and make several other changes to the bill.

As amended, AB 32 would enact the California Global Warming Solutions Act of 2006, to require the California Air Resources Board to adopt regulations on or before January 1, 2008, establishing a program to monitor and report on existing emissions and changes in emissions of greenhouse gases from identified sources, and to monitor compliance with emission limits on greenhouse gases. AB 32 would also establish a task force to coordinate investments of State moneys and programs that reduce emissions of such gases, promote economic growth, and make information on such gases available to the public. **Because the amendments do not alter the intent of the bill, our Sacramento advocates will continue to support AB 32.** This measure is currently in the Senate Committee on Environmental Quality awaiting a hearing date.

**County-supported AB 1056 (Chu)**, which would establish the Tolerance Education Pilot Program to promote the teaching of tolerance and inter-group relations as part of the instruction in history and social sciences in public schools, was amended on May 2, 2006. The amendment would require each school selected to participate in the program to develop a plan to implement a tolerance and inter-group curriculum and submit a report to the State Department of Education on the effectiveness of the curriculum, three years after receiving initial funding. AB 1056 is scheduled to be heard by the Senate Education Committee on May 10, 2006.

**County-supported AB 1903 (Benoit)**, which would have added hospitals to the list of those authorized to receive an accident report from the CHP or other law enforcement agency, was amended on April 6, 2006, and it now relates to the suspension of a driver's license for those driving under the influence of a controlled substance. Based on these changes, **the County will remove its support, and it will take no position on the bill.**

**County-supported AB 2836 (Karnette)**, which would require fire sprinklers in certain residential care homes, was approved by the Assembly Committee on Appropriations on May 3, 2006 by a vote of 12 to 5. That measure proceeds to the Assembly Floor, where it could be voted on next week.

**County-sponsored AB 2870 (De La Torre)**, which would authorize the testing of defendants for contagious, communicable, or infectious diseases when a prosecutor or public defender may be exposed to such diseases during an assault by the defendant,

passed the Assembly Committee on Appropriations on May 3, 2006 on the Committee's consent calendar and now proceeds to the Assembly Floor.

**County-sponsored AB 2961 (Nuñez)**, which would enhance benefits for CalWORKs families who are homeless or at imminent risk of homelessness and provide limited, short-term housing assistance for CalWORKs families participating in welfare-to-work activities for whom housing instability is a significant barrier to finding and maintaining employment, was placed on the Assembly Committee on Appropriations Suspense File on May 3, 2006 due to increased State General Fund costs.

**County-supported SB 1323 (Cedillo)**, which would provide \$350,000 in State funding over five years for a probation officer in a prototype mental health court in Los Angeles County, will help non-violent felony offenders who have serious substance abuse and mental health problems to obtain treatment, passed the Senate Committee on Public Safety on May 2, 2006 by a vote of 4 to 0, and now proceeds to the Senate Committee on Appropriations.

**County-supported SB 1773 (Alarcon)**, which would augment the Emergency Medical Services Fund by allowing counties to collect an additional \$2 penalty assessment on every \$10 penalty for all criminal offenses and moving violations, passed the Senate Committee on Public Safety on May 2, 2006 by a vote of 4 to 0, and now proceeds to the Senate Committee on Appropriations.

We will continue to keep you advised.

DEJ:GK  
MAL:JF:IGR:cc

c: All Department Heads  
Legislative Strategist  
Local 660  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants